

A U S T I N C I T Y C O U N C I L

AGENDA

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Thursday, August 10, 2006

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**Treasury Office
RECOMMENDATION FOR COUNCIL ACTION**

ITEM No. 55

Subject: Approve a resolution authorizing and direct publication of an Official Notice of Intention to Issue \$24,150,000 City of Austin, Texas, Certificates of Obligation, Series 2006.

Amount and Source of Funding: There is no unanticipated fiscal impact. A fiscal note is not required.

<p>Additional Backup Material (click to open)</p> <p><input type="checkbox"/> Resolution</p>

For More Information:
Boards and Commission Action: Reviewed by the Audit and Finance Committee.

State law requires that an Official Notice of Intention to Issue Certificates of Obligation be published no less than two weeks prior to the sale of Certificates of Obligation by the City. The sale is tentatively scheduled for August 31, 2006. The projects included in the Certificates of Obligation issuance are as follows.

- 1. Fire Station at Avery Ranch: \$2,000,000
- 2. Emerson Campus Facility on Cameron Road: \$22,150,000
- Total: \$24,150,000

Of the \$24,150,000, only the \$22,150,000 for the Cameron Road Facility will be funded by transfers from operating funds. The remaining \$2,000,000 will be paid from the tax-supported debt service fund.

RESOLUTION NO. 20060810-

RESOLUTION DIRECTING PUBLICATION OF NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION

WHEREAS, the City of Austin expects to pay expenditures in connection with the design, planning, acquisition and construction of the projects described in Exhibit A to this Resolution prior to the issuance of the Certificates of Obligation hereinafter described; and

WHEREAS, the City Council hereby finds, considers and declares that the reimbursement of the payment by the City of such expenditures will be appropriate and consistent with the lawful objectives of the City and, as such, chooses to declare its intention, in accordance with the provisions of Section 1.150-2 of the U.S. Treasury Regulations, to reimburse itself for such payments at such time as it issues the hereinafter described Certificates of Obligation; and

WHEREAS, it is hereby officially found and determined that the meeting at which this Ordinance was considered was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN, TEXAS:

Section 1. That attached hereto and marked "Exhibit A" is a form of notice, the form and substance of which are hereby passed and approved.

Section 2. That the City shall cause said notice to be published, in substantially the form attached hereto, in the *Austin American-Statesman*, a newspaper of general circulation in the City of Austin, Texas, for two consecutive weeks, the date of the first publication to be before the fourteenth day before the day tentatively proposed for authorizing the issuance of the Certificates of Obligation as shown in said notice.

Section 3. That the facilities and improvements to be financed with proceeds from the proposed Certificates of Obligation are to be used for the purposes described in the attached Notice of Intention.

Section 4. That all costs to be reimbursed pursuant to this Resolution will be capital expenditures; the proposed Certificates of Obligation shall be issued within 18 months of

the later of (i) the date the expenditures are paid or (ii) the date on which the property, with respect to which such expenditures were made, is placed in service; and the foregoing notwithstanding, the Certificates of Obligation will not be issued pursuant to this Resolution on a date that is more than three years after the date any expenditure which is to be reimbursed is paid.

5. That the Mayor and City Clerk are hereby authorized to take such actions as may be appropriate to carry out the intent of this Resolution.

PASSED AND APPROVED this the 10th day of August, 2006.

ADOPTED: _____, 2006

ATTEST: _____

Shirley A. Gentry
City Clerk

DRAFT

EXHIBIT A

NOTICE OF INTENTION TO ISSUE
CERTIFICATES OF OBLIGATION

NOTICE IS HEREBY GIVEN that it is the intention of the City Council of the City of Austin, Texas, to issue one or more series of the interest bearing certificates of obligation of the City to be entitled "City of Austin, Texas Certificates of Obligation", bearing interest at such rate or rates, not to exceed the maximum interest rate now or hereafter allowed by law, as shall be determined at the discretion of the Austin City Council on or before the date of issuance thereof, and maturing no later than forty (40) years from the date of issuance of such certificates of obligation as shall be determined at the discretion of the Austin City Council, for the purpose of paying contractual obligations to be incurred by the City, to-wit, the renovation of the City-owned Emerson Campus facility located at 8301 Cameron Road for use by various departments of the City, the costs of constructing improvements to the City-owned Veloway trail, the construction and equipping of the Avery Ranch fire station, and the payment of fiscal, engineering and legal fees incurred in connection therewith. The City Council tentatively proposes to authorize the issuance of said series (one or more) of Certificates of Obligation at its regular meeting place located at 301 W. 2nd Street, at a meeting to commence at 10:00 o'clock, a.m., on the 31st day of August, 2006. The maximum amount of Certificates of Obligation indebtedness that may be authorized to be sold on said date for such purposes described above is \$27,000,000. The City Council presently proposes to provide for payment of said series (one or more) of Certificates of Obligation from the levy of taxes and from a limited pledge (not to exceed \$1,000) of the revenues of the City's solid waste disposal system.

CITY OF AUSTIN, TEXAS

/s/ Will Wynn
Mayor